

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 1939 - SB 2044

March 29, 2011

SUMMARY OF BILL: Makes wearing pants below the waist in a public place a misdemeanor offense punishable by fines and community service from a \$200 fine and 80 hours of community service for first-time offenders up to a \$1,000 fine and 160 hours of community service for a fourth or subsequent offense. Establishes the *Extracurricular Activities Enhancement Fund* into which all proceeds from fines resulting from these offenses shall be deposited. Funds shall be distributed to local education agencies (LEAs) in proportion with their student population for extracurricular activities including musical instruments, books, and sports equipment.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$100,000/

Extracurricular Activities Enhancement Fund

Increase State Expenditures - \$609,000

Increase Local Expenditures – Not Significant

Increase Federal Expenditures - \$391,300

Assumptions:

- The Department of Children's Services (DCS) estimates that 108 juveniles currently in state custody will remain in custody an additional 30 days. Twenty-seven juveniles on probation will have their probation revoked and come into state custody for 180 days as a result of this bill.
- The total number of additional days in custody will be 8,100 $[(108 \times 30) + (27 \times 180)]$ at a cost of \$108 per day. The increase in expenditures for housing will be \$874,800.
- Of the \$874,800, 49 percent (\$428,652) will be TennCare funds. Of the TennCare funds, \$283,896 will be federal funds at a 66.23 percent match rate and \$144,756 (\$428,652 - \$283,896) will be state funds.
- Seven percent of the total cost or \$61,236 $(\$874,800 \times 7\%)$ will be new federal Title IV-E funding.
- The remaining \$384,912 $[\$874,800 - (\$428,652 + \$61,236)]$ will be state funding.
- The total increase in state funding for housing will be \$529,668 $(\$144,756 + \$384,912)$.
- The total increase in federal expenditures for housing will be \$345,132 $(\$283,896 + \$61,236)$.

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- DCS will hire two additional case managers at a cost of \$62,753 per manager with salary (\$34,400), benefits (\$13,353), and other expenditures (\$15,000); a total increase in personnel expenditures of \$125,506 (\$62,753 x 2).
- Of the \$125,506, 45 percent (\$56,478) will be TennCare funds. Of the TennCare funds, \$37,405 will be federal funds at a 66.23 percent match rate and \$19,073 (\$56,478 - \$37,405) will be state funds.
- Seven percent of the total cost or \$8,785 (\$125,506 x 7%) will be new federal Title IV-E funding.
- The remaining \$60,243 [\$125,506 – (\$56,478 + \$8,785)] will be state funds.
- The increase in state expenditures for personnel will be \$79,316 (\$19,073 TennCare + \$60,243).
- The increase in federal expenditures for personnel will be \$46,190 (\$37,405 TennCare + \$8,785 Title IV-E).
- The total increase in state expenditures will be \$608,984 (\$529,668 housing + \$79,316 personnel).
- The total increase in federal expenditures will be \$391,322 (\$345,132 housing + \$46,190 personnel).
- All cases will be heard in the local court system. Any increase in judicial expenditures for processing of cases will be handled within existing resources and will be not significant.
- All fines collected from defendants will be deposited into the *Extracurricular Activities Enhancement Fund*. The actual revenue from collected fines is unknown; however, it is estimated that state revenue will increase exceeding \$100,000 annually.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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